

# The impact of structure on marketing success in Australian Rules football clubs.

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### **Abstract**

As professional football clubs compete in increasingly equalised environments, there is a growing need to concentrate on organisational capabilities to achieve stakeholder satisfaction and through this, marketing success. One factor deemed to influence marketing success is organizational structure, and this paper reports the findings a study that examines the impact of organisational structure on the marketing success of professional Australian Rules (AFL) football clubs in Australia. Results show that most AFL clubs adopt a board of governance structure, which is believed to allow greater focus on strategic issues, and to facilitate more appropriate resource allocation to the various functional areas of clubs than other structures – specifically a board of management. In addition, this structure also appears to be linked to high levels of organizational performance through the satisfaction of stakeholder needs.

## **The impact of structure on marketing success in Australian Rules football clubs.**

### **Introduction**

Professional football in Australia is now recognised as big business (Foreman 2003) with clubs traditionally focusing on achieving on-field performance. However, forces such as a requirement to be increasingly professional and increases in costs (especially player payments) are forcing clubs to focus more strongly upon financial performance and profitability rather than just winning on the field in order to survive (Foreman 2003; Smith & Stewart 1999; Pope & Turco 2001). Sporting clubs must now rely on other more professional and holistic methods to ensure the financial security that will provide them with long term stability (Carter 2001; Foreman 2001). One such method recognised is through the identification and satisfaction of all key stakeholders (Foreman 2001; Hankinson 1999; Hooley, Saunders & Piercy 2004; Jackson 2001), or through the achievement of marketing success. It is through working to satisfy all key stakeholders, including members and supporters, the media, employees and players, that resources vital to the operations of an organisation, including financial resources, are generated and appropriately allocated (Hooley et al. 2004).

In spite of this realisation, stakeholder satisfaction, or marketing success, cannot be achieved through just winning games. Instead, clubs must rely on their internal capabilities, resources and processes to create stakeholder satisfaction (Carter 2001; Hooley et al. 2004). Internal capabilities may include technical expertise of personnel, protected resources and all elements and functions of the organisational system such as marketing, finance, research and development and culture. One such capability which has been identified in the literature as being critical to the achievement of marketing success is organisational structure (Hankinson 1999; Ruekert, Walker & Roering 1985).

While marketing literature tends to identify the different range of structures available to organisations (David 1999; Slack 1997; Smith & Stewart 1999) there is little empirical research that examines the relationship between these different structures and marketing success, particularly in regards to professional sport clubs. Thus there is a need for an exploratory study into the perceived impact of organisational structure on achieving stakeholder satisfaction in a sport organisational context. This research focuses on this issue to answer the research problem of: "How does organisational structure impact upon the 'marketing success' of professional AFL clubs in Australia?"

### **The Literature**

Two of the most successful football codes in Australia, the National Rugby League (NRL) and the Australian Football League (AFL) have recognised a need to be more strategic and business like in their operations both at the organisation and club level. In addition, acting in a more professional manner has also brought recognition that football games can be conceptualised as products and are therefore categorised by some elements of the public as a form of entertainment (Carter 2001; Smith & Stewart 1999). Whilst this broader categorisation of sport product can bring access to a wider potential audience it is also noted that the entertainment industry is generally highly competitive and fickle (Smith & Stewart 1999) thus creating both a potential opportunity and a threat to sporting organisations.

The current competitive environment in AFL is somewhat artificial with an equalised approach adopted enforced by league administration (Carter 2001). Under this environment the league strives to distribute the intrinsic value of the game evenly across all teams by apportioning things

like financial resources gained through television, ticket sales and sponsorship and by using a salary cap and draft system to apportion player resources evenly (Carter 2001; Smith & Stewart 1999). These measures are aimed at establishing a level playing field by making match outcomes harder to predict and by creating a stronger competition which in turn it is hoped will attract larger audience shares (Carter 2001; Smith & Stewart 1999). Under this equalised system, professional AFL clubs face a number of challenges in maintaining both on field and off field performance. Because the clubs cannot simply buy the best players to create winning teams, they must rely more upon organisational capabilities to remain successful (Carter 2001). A critical dimension of such capabilities is the creation of an appropriate organisational structure.

The structure of an organisation defines the relationship between various parts of that organisation and rationalises, frames and coordinates the technical and human resources for the purpose of meeting organisational goals and objectives (Kriegler et al. 1988). Structure also defines and distributes the roles and functions of individual employees within an organisation (Smith & Stewart 1999). How these employees are organised and the individual roles and functions they are given will directly impact upon the attainment of objectives and ultimately the organisation's performance (David 1999). Whilst evidence shows that there is no 'ideal model' when it comes to the structure of an organisation (Hankinson 1999; Smith & Stewart 1999) a structure must be developed which allows individual objectives and goals to be met (David 1999; Hankinson 1999). The structure must reflect the tasks, responsibilities and decision making scope to be undertaken by each employee or staff member and it should also show the line authority relationships that exist (Smith & Stewart 1999).

Most professional football clubs in Australia operate under a board of directors. It is generally the board's responsibility to represent the owners or members and it is the board which is accountable for the performance of the club (Charan 1998). The boards of each club do, however, vary in terms of their roles, responsibilities, focus of control, decision making scope and composition. Professional AFL clubs tend to operate under one of two different types of boards, a *board of management* and a *board of governance*. The type of board chosen will likely determine the organisational structure of the whole club and will impact upon the club's operation and overall performance (David 1999; Kriegler, Dawkins, Ryan & Wooden 1988). Each of these structures will be briefly discussed next.

**A Board of management** takes on all governance, management and operational tasks within an organisation (Garber 1997). It sets policies and makes organisational decisions and is also very involved with overseeing the day to day operations of the organisation. It has a high degree of involvement in operational and administrative activities and is usually closely supervises the CEO and staff at all levels of the club. Boards of management in professional AFL clubs also make decisions extending to fine details including team and recruitment selection, marketing, service offerings and administration (Dalhousie University 2004; Garber 1997). Under this structure the club limits the roles, responsibilities, authority and decision making scope of staff at lower levels, as the board assumes a major role in controlling and making decisions regarding the day to day running of both the club and the football team. The selection and ultimate election of members of the board of management (directors) for sporting clubs is therefore based on their knowledge and experience relevant in the sporting field (football in this case) and they tend to be ex-players and coaches. Elected directors can also be part of a 'special interest' group or sector considered important such as media or sponsors. Current literature reviewing this type of

structure has expressed concerns about the lack of a clear separation between the board and the functional executive staff (Foreman 2003; Smith & Stewart 1999).

In contrast a **Board of governance** acknowledges the clear distinction between the roles and responsibilities of the board and those of the executive staff (Garber 1997; Solavski & Nance 1999). In this structure the board sets the policies and guidelines of the organisation by establishing the company's mission and objectives (Garber 1997). While the primary concern is to the needs of the owners or members and secondarily on-field performance of the club, the board of governance is also equally concerned with ensuring continued satisfactory financial performance. It takes the view is that financial performance will ultimately determine a club's existence and will consequently result in satisfactory on field performance (Foreman 2003).

When operating under this type of board, the roles, responsibilities, authority and decision making scope is very clear for both the board members and for the executive staff. The board tends to assume more of a monitoring and supervising role in relation to the day-to-day club operations. It selects and approves executive staff such as the CEO and coach, but is not involved at all with the day-to-day operations of the club. While major decisions require board approval, each executive staff member is designated a very clear role and area of responsibility and is authorised to make decisions within his or her scope. Directors in a board of governance are generally professionals who are selected based on their experience or knowledge in specific fields of business rather than on knowledge of a particular sport. These people bring essential skills, information, resources and credibility which may not be available from ex players or coaches (Charan 1998).

Whilst the literature tends to promote the adoption of a board of governance model (Foreman 2003), some successful professional football clubs still operate under a board of management. No literature exist which supports the adoption of a preferred organisational structure for professional football clubs in relation to either marketing success or overall performance.

When we consider measuring organisational performance there are a number of different approaches that can be adopted. The strategic constituencies approach (Connolly et al. 1980), suggests that each organisation has different groups that are strategic constituents or stakeholders and that these stakeholders have different interests in performance outcomes. Further, the organisation relies on each of these groups differently for resources and support (Connolly et al. 1980). The extent to which the organisation is able to satisfy each group will determine its ultimate success. This concept of stakeholder satisfaction relates specifically to marketing and the marketing concept as it is marketing which can provide a unifying force in the achievement of stakeholders' goals (Hooley et al. 2004). Thus, by achieving marketing success, through the satisfaction of key stakeholder needs, an organisation would also be able to achieve organisational success and improve overall performance.

Stakeholders are defined as any group who are affected by the achievement of a firm's objectives or who are able to influence the achievement of the firm's objectives (Freeman 1984). Stakeholders include both internal members of an organisation such as workers or owners, and outsiders who stand to lose or gain by what the organisation does (customers, competitors, suppliers and politicians) (Connolly et al. 1980). Thus, different stakeholders will have differing needs, wants and organisational goals that they consider to be important (Slack 1997). Taking a

stakeholder approach is appropriate when focusing on a sport organisation as these organisations are impacted by many diverse internal and external groups.

Taking a marketing success or stakeholder approach conceives the organisation as a social structure where self interested parties interact and an ongoing bargaining process among stakeholders will take place as each stakeholder seeks to have their favoured goal/s accepted (Connolly et al. 1980). This approach therefore forces organisations to identify those stakeholders whose power can influence their operations and to recognise the goals considered important by each stakeholder. By knowing whose support is needed, an organisation can modify its goals to meet these demands (Cameron 1980). Support for this approach is increasing, as scholars recognise the importance of identifying and working to satisfy each individual stakeholder, rather than simply prioritising the needs of shareholders or customers (Dervitsiotis 2003; Freeman & Reed 1983; Jackson 2001).

Like the strategic constituencies approach which identifies stakeholder satisfaction as a key measurement of organisational success, marketing success, which is defined as, '*the ability of an organisation to satisfy both the organisation and its individual stakeholders through the creation of exchanges*' (AMA 2004), also is based on the concept of stakeholder satisfaction. This suggests that stakeholder satisfaction is critical to the success of an organisation. This is supported by the literature, as firms with a strong marketing orientation, and a dedication to stakeholder satisfaction, tend to have superior performance when compared to those firms with a less strong marketing orientation (Hooley et al. 2004; Siguaw, Simpson & Baker 1999).

Organisations which are most likely to succeed are those that notice and understand the expectations, wants and needs of their key stakeholders, and who work to satisfy them better and more effectively than their competitors (Ambler 2001; Hooley et al. 2004). For example, customers are key stakeholders of all organisations. They are the end users of the product or service and the resources they put forward to obtain that product help to ensure financial viability of an organisation. Organisations must therefore aim to retain existing customers and attract new customers, and this is done through achieving marketing success (Irwin et al. 1999). Only by understanding and meeting the needs of existing customers, will satisfaction be achieved, and this satisfaction will ensure that existing customers are retained and potential customers are attracted (Ambler 2001; Irwin et al. 1999). This link between marketing performance and financial performance, suggests that firms who do well in the market place and who work to create satisfaction for key stakeholders, will also do well financially and be more likely to survive into the future (Doyle & Wong 1998; Hooley et al. 2004).

In spite of this approach Jackson (2001) has also put forward the argument that stakeholders should not be prioritised, as focusing too heavily on one stakeholder, such as customers, can be detrimental to the organisation as a whole. However logic would suggest that prioritisation of stakeholders is likely to occur and will change for different desired outcomes or objectives (Jackson 2001). Even if adopting this approach the literature suggests that it can be difficult to correctly conceptualise stakeholder expectations and to accurately measure the organisation's ability to satisfy these through the achievement of goals (Cameron 1980).

In a sport organisation the key stakeholders can be classified into seven groups. These groups are: (1) Players or participants; (2) business investors and/or media; (3) support goods and

services organisations; (4) governments; (5) spectators; (6) other sporting clubs; and (7) sport governing bodies. It is obvious just from these groupings that these stakeholder groups are likely to have not only differing goals but in some cases conflicting ones. Organisations must therefore look to manage and satisfy the needs of all key stakeholders in order to be considered successful.

In summary, professional AFL clubs in Australia tend to operate with either a *board of governance* or a *board of management* which ultimately dictate the organisational structure and operation of the club. However no research exists which advocates a preferred organisational structure or provides any indication of the relationship between structure and marketing success. In order to assist the data collection and analysis in relation to the research question five key research themes for this study have been identified: (a) How do these define success? (b) Who are perceived to be the key stakeholders of these clubs and how can they be satisfied? (c) What structure do these clubs have in place and why? (d) what is the perceived importance of structure to these clubs? and (e) how does the structure impact on achievement of marketing success?

### **Research Methodology**

The nature of this research is theory building rather than theory testing as there is a lack of empirical research relating to the relationship between organisational structure and marketing success. This research therefore comprised a qualitative study specifically using convergent interviewing. After each interview, the data collected was recorded and analysed, and then used to refine the protocol and content of the subsequent interviews. Interviews were ceased when convergence was reached and divergence was explained on major issues, and when no new issues or concepts were raised within the interviews in accordance with Nair & Reige (1995).

Depth interviews were conducted with the CEO's of eight professional AFL clubs. In order to help achieve external validity, at least one club from each state in Australia was incorporated<sup>1</sup>. Thus the final sample consisted of one club from Queensland, South Australia and New South Wales, two from Western Australia and three from Victoria. Interviews were taped and analysed for key themes based on the research question and research issues identified.

### **Results and Discussion**

Results will be presented based on the research issues presented earlier commencing with **how do professional AFL clubs define success?** It was found that on-field success and financial stability, and not necessarily profit maximisation, were perceived to be key indicators of success in professional AFL clubs interviewed. While other indicators were also used in some professional AFL clubs, they all link back to the club becoming financially stable to allow the purchase of the best players, staff and facilities etc, to achieve on-field success. How on-field success is measured varies between clubs. Further, the clubs perceived that their key stakeholders were also looking for on-field success, and that the relationship with these key stakeholders was vital.

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<sup>1</sup> Note some states were not included in this study as they did not have a professional AFL club playing in the national competition. The numbers of clubs represented is proportional based on the numbers of clubs in each state.

While the literature did suggest that on-field success may be an important main motivation of some stakeholders, such as members and supporters, it is largely an uncontrollable factor from the perspective of the board of directors. Apart from ensuring sufficient resources are available to support team performance, the actual outcome of that performance is unpredictable. Interestingly other more controllable factors (such as market share, membership etc) were not considered to be major indicators of success by professional AFL clubs interviewed.

When asked **who they perceived to be the key stakeholders of professional AFL clubs and how can they be satisfied?** clubs responded that the key stakeholder groups identified by the respondents were sponsors; members; club employees; players; the media and the AFL (league management). Each of these stakeholder groups were also identified as key stakeholders by the literature. The needs and goals of each of these stakeholders is shown in table1 with additions based on interview results highlighted.

When questioned about their key stakeholders, clubs noted that they placed more emphasis on internal stakeholders than external ones. Specifically, it was the internal stakeholder groups of sponsors, members, players and staff who were the most recognised and well researched stakeholders in terms of their needs and wants.

**TABLE 1 – Goals considered important to key stakeholders**

Key stakeholder	Goal of organisation considered important
Spectators/fans/ members	<ul style="list-style-type: none"> <li>• Product/service quality</li> <li>• Public image – organisation has appropriate image within the community and is a good corporate citizen</li> <li>• Excitement</li> <li>• Influence</li> <li>• On-field performance</li> <li>• Team identification</li> <li>• Personalised communication</li> <li>• Value for money (membership fees) – eg allocation of membership seats*</li> <li>• Contribution to community</li> </ul>
Business investors/ Owner/ Shareholders/ sponsors	<ul style="list-style-type: none"> <li>• Profitability – meeting of investment goals</li> <li>• Competitive position</li> <li>• Influence and links to celebrities – being made to feel like an important customer*</li> <li>• Stability/security</li> <li>• Growth</li> <li>• Public relations – create/enhance appropriate image for organisation with relevant community</li> <li>• Close contact with players, coach and football staff*</li> </ul>
Players/ participants	<ul style="list-style-type: none"> <li>• Stability/security – long term survival is ensured</li> <li>• Employee relations</li> <li>• Employee development</li> <li>• Job satisfaction</li> <li>• Adequate financial remuneration</li> <li>• Relationships with coach, club staff and other players</li> <li>• Communication within the club*</li> <li>• Facilities*</li> <li>• Personal development*</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Advancement of personal skills</li> <li>• Adequate remuneration</li> <li>• Autonomy*</li> </ul>

	<ul style="list-style-type: none"> <li>• Teamwork*</li> <li>• Relationships with boss and other employees*</li> <li>• Quality of work life*</li> <li>• Excitement in working for club*</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Image of organisation – can create positive image of organisation or negative image through stories or issues dealt with in the media</li> <li>• Return on investment</li> <li>• Vehicle to attract additional revenue streams</li> <li>• Close relationship with club*</li> </ul>
Sport governing bodies (the AFL)	<ul style="list-style-type: none"> <li>• Growth of sport</li> <li>• Stability of sport and public opinion</li> <li>• Return on investment</li> <li>• Lack of controversy</li> <li>• Competition</li> <li>• Close relationship with clubs*</li> </ul>

*\* items added in addition to literature Source: West 2004*

While each of the clubs recognised the importance of each of the external stakeholders, being media, the AFL and also supporters, they did not appear to spend as much effort researching and exploring these key stakeholder's needs. Other external stakeholder groups such as the community and local football leagues were not mentioned. However, these stakeholder groups tend to be influenced by the club rather than actually providing finances or other resources to the club.

In relation to the question **What structure do professional AFL clubs have in place and why?**, all clubs seemed to have a clear separation between the board and management. The board's role was to set strategy and direction, appoint key people such as the CEO and coach, to monitor performance and management and to provide support to the CEO and management – a board of governance. This was in support of the literature which indicated that elite clubs should have such a separation, with the board setting direction and performance objectives, and the management making day to day decisions in order to achieve that performance (Foreman 2001; Smith & Stewart 1999).

According to the interviews, this clear separation seemed to be necessary, especially in clubs where directors were elected by the members based on popularity rather than necessary skills. These directors did not have the time, skill and expertise to make day-to-day decisions for the club. Therefore, such day to day decisions were left to management, who did have the skills and expertise. These issues relating to boards of directors seemed to converge throughout the interviews. A major issue that did however create some divergence concerned the existence of subcommittees. This issue will now be discussed.

**Subcommittees.** The main debate throughout the interviews which was not explored in the literature concerned the existence of subcommittees, with clubs being either strongly for them or against them. The subcommittees in place were made up of both directors and management and appeared to play the role of a filter to the board.

*'In the main the subcommittees act as a filtering for the board. They do not have tremendous decision making scope in their own right, but they do make recommendations to the board in relation to decisions and that is the key difference there.'* (Respondent B)

The main argument to come out against subcommittees was the fact that they were too time consuming as suggested by Respondent A.

*'We had subcommittees in place with a board representative on each subcommittee so you had board and management representation. However what we found is that we had too many subcommittees and too many meetings and not enough time was spent actually doing things. Meetings were rolling into meetings, which were very time consuming.'*

It was also argued that the board members, especially those elected by the members, may not have the skill, time or resources to be so heavily involved in the running of the club. This was particularly evident in interview F where the club received recommendations from the Boston Consulting Group to change the structure. Previously the club had subcommittees in place.

*'The Boston Consulting Group did a study on the place and recommended to the board that that was not the right structure, as directors did not have the time or the resources or potentially the skills to do those roles.'* (Respondent F)

This finding questions the necessity of subcommittees, especially in professional AFL clubs in which all directors are elected by the members. However a number of clubs did have subcommittees in place, and while there was recognition that there could be too many subcommittees in existence with too much involvement in day to day operations, there was some argument as to their importance to the club. In particular, respondent B was very much for the existence of subcommittees but:

*'...only as a governance function. Only as a cheques and balances function. And also as a comfort level for senior staff as well...The key thing is they do not have a working function. If you allow a subcommittee to become too involved, that can be nonsense. But I can understand why clubs don't want subcommittees, but I would like to think that as a CEO I can sit down with a group of people and discuss an issue so that I can understand why a decision is being made. Then when the decision is made and it goes belly up, we can say that we understood what the issue was and what the considerations were and we supported it, but it went wrong. We will just go through and discuss issues, how to overcome them. Its pretty important. It really is. People don't understand the importance. But you can have too may subcommittees. For example we don't have a marketing committee as in the end my marketing manager is in charge of that and there is not the same necessity for cheques and balances as there is the need for entering multimillion dollar contracts.'*

This suggests that subcommittees can exist, but should only act as a filter and not have too much involvement within the club. Those clubs with subcommittees in existence still stated that the board was not involved in the day to day operations of the club, but the fact that board members were involved in subcommittees suggests that their existence does increase centralisation within the club. Those against subcommittees believe that they are time consuming and that board directors, particularly those elected by members, may not have the skills or the time to be so heavily involved with the club. The issue of subcommittees requires further investigation to determine if they provide any benefits to an AFL club or sport organisation in relation to marketing and overall organisational success.

Next the discussion moved to answer the question of the ***perceived importance of structure to professional AFL clubs?*** Those clubs interviewed appeared to have low centralisation, relatively

high formalisation and high specialisation. According to the interviews, this model works to ensure decisions are made at the most appropriate level of the club and by the people within the club who have the most skill and expertise in regards to the decisions. In this model decisions are timely and appropriate. Another factor identified from the interviews is that such a model also helps in recruiting the best staff. Low levels of centralisation work to create autonomy, which according to the findings, is a key motivation of both current and future employees.

As a result of the low centralisation, the board has clear separation from the management and executives and is not involved in the day to day decisions. The board is there to set strategy, monitor performance, appoint the key people who run the club and provide them with support. Previously the literature had not justified this separation, but from the findings it appears this separation is necessary as it allows management, who have the most skills, time and knowledge, to make important decisions concerning the day to day operations of the club. Boards of directors, especially those elected by club members, may not have the necessary skills, resources, knowledge or time to be heavily involved with the day to day operations of the club.

In summary it would appear that whilst appropriate structure was considered critical by professional AFL clubs for both marketing and organisational success it was seen as only one of a number of factors and is not seen as being more important than having an appropriate strategic approach or having the most skilled staff. In fact it was noted that structure could be changed to suit the capabilities of the people within the organisation relatively easily whilst other factors (such as strategic orientation) would be more difficult to adapt and thus it was more important that they be right.

Finally the question of *How does the structure of a professional AFL club impact upon achieving marketing success?* was considered. Structure had been identified, both in the literature and the interviews, as being an important factor contributing to marketing success. However there was no empirical investigation as to exactly how structure is able to impact on marketing success. There was a convergence throughout the interviews that the structure, especially the formalisation, decentralisation and high specialisation in existence in professional AFL clubs, ensures that employees within the club with the most knowledge, skill, training and expertise are left to make decisions concerning specific stakeholders. This works to ensure that the right decisions are made most of the time in regards to stakeholder satisfaction and thus works to ensure that marketing success is more likely to be achieved.

### **Conclusions and implications**

From the research, it is clear that whilst structure is an internal capability which is able to impact upon the achievement of marketing success in professional AFL clubs, other internal factors must also be considered such as strategy and staff. In this final framework, structure, as well as staff and strategy, are all internal capabilities that have been identified as being able to influence marketing success. However it is also critical for professional AFL clubs to accurately define marketing and this is achieved by identifying key stakeholders. The findings of the research concerning this issue suggest that while structure has not been identified as the most important element, it does help to ensure stakeholder satisfaction. Specifically, structure works to ensure that appropriate decisions concerning specific stakeholders are made by the employees within the club who have the most experience, training, knowledge and resources concerning that particular stakeholder. It is believed that this works to ensure that the right decisions are made and this in turn works to ensure that stakeholders are satisfied and that marketing success is achieved.

Traditionally, it has been assumed that those clubs which performed well on the field would in turn ensure financial gains and long term success. However, some authors question whether this is the case (Pope & Turco 2001). Other more professional measures, other than on-field performance, need to be identified which can ultimately ensure the financial success and long term survival of a football club. However there has been very little exploration into this area, specifically in the field of sport. This research has provided the groundwork for further investigation into this concept.

Secondly, this research has also shown that there is a lack of cross-disciplinary research in sport. Such research, for example combined organisational and marketing studies, would work towards achieving explanations of causality in sport marketing success. Specifically, causality concerning organisational capabilities and marketing success could perhaps be further explored by borrowing concepts and constructs from multiple disciplines, such as consumer behaviour; marketing; psychology; organisational behaviour; human resource management; and even economics. This research has shown that these internal, organisational capabilities, and in particular organisational structure, are perceived to have some impact upon the achievement of marketing success.

Finally, extant literature regarding the relationship between organisational structure and stakeholder satisfaction tends in the context of traditional business entities (for example, Hankinson 2000) rather than from the perspective of professional sport clubs. What literature does exist tends to be descriptive texts rather than empirical evidence (for example, Carter 2001; Foreman 2001). Therefore there is little literature exploring this relationship within the sports field, and thus this research provides a basis for further investigations into this area. It also highlights the need for sports marketers to pay more attention to the internal capabilities of a professional sport club which impact upon the achievement of marketing success rather than simply exploring individual stakeholders. This is imperative given the complex nature of sports marketing in that there exists a multitude of diverse stakeholders.

In terms of practical implications for professional sport clubs, and in particular professional AFL clubs, identification of the fact that internal capabilities may influence the achievement of marketing success suggests that sporting clubs should not rely on on-field performance to create opportunities for success. It is important to identify those internal capabilities, specifically structure, strategy and staff, which will allow a club to better satisfy their key stakeholders and through identification of these factors, clubs can more efficiently operationalise strategies to ensure success, as determined by meeting the needs of stakeholders.

This research has also shown the need for clubs to shift away from their focus on on-field performance. Some literature suggests that winning does not guarantee financial gains (Pope & Turco 2001) suggesting that clubs need to develop a more professional culture in order to achieve business success. This would involve establishing and focusing on other key performance indicators which ensure financial gains, as well as having a greater focus on internal capabilities such as structure, strategy and staff. Further investigations would assist in the development of such a culture.

An important implication of this research is the recognition of the need for professional sport clubs to focus on the management of their staff. Employees have been emphasised as being an

important element of stakeholder satisfaction throughout this research. Clubs therefore need to place a greater emphasis on recruitment and on hiring the people with the most skill and expertise concerning their specific stakeholders. This is particularly important as professional sports in Australia shrug off their volunteer and past-player based workforce, in exchange for professional, function-based employees. However, they must also work to make sure that they have the structure in place which will ensure that only those people with the most knowledge, skill and experience concerning a specific stakeholder, are dealing with that specific stakeholder. This will help to ensure that correct decisions are made and that stakeholder satisfaction can be achieved.

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